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**DEPARTMENT OF COMMERCE**

**Bureau of Industry and Security**

**15 CFR Part 744**

**[Docket No. 150817734-5734-01]**

**RIN 0694-AG72**

**Revisions to the Unverified List (UVL)**

**AGENCY:** Bureau of Industry and Security, Commerce.

**ACTION:** Final rule.

**SUMMARY:** The Bureau of Industry and Security (BIS) is amending the Export Administration Regulations (EAR) by adding twelve (12) persons to the Unverified List (the “Unverified List” or UVL), adding additional addresses for four (4) persons currently listed on the UVL, and removing two (2) persons from the UVL. The 12 persons are being added to the UVL on the basis that BIS could not verify their *bona fides* because an end-use check could not be completed satisfactorily for reasons outside the U.S. Government’s control. New addresses are added for four current UVL persons because BIS has determined they are

receiving U.S. exports at addresses not previously included in their UVL listings. Finally, two persons are removed from the UVL based on BIS's ability to verify those person's *bona fides* through the successful completion of end-use checks.

**DATES:** *Effective date:* This rule is effective: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Kevin Kurland, Director, Office of Enforcement Analysis, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-4255 or by email at [UVLRequest@bis.doc.gov](mailto:UVLRequest@bis.doc.gov).

**SUPPLEMENTARY INFORMATION:**

**Background**

The Unverified List, found in Supplement No. 6 to Part 744 to the EAR, contains the names and addresses of foreign persons who are or have been parties to a transaction, as that term is described in § 748.5 of the EAR, involving the export, reexport, or transfer (in-country) of items subject to the EAR, and whose *bona fides* BIS has been unable to verify through an end-use check. BIS may add persons to the UVL when BIS or federal officials acting on BIS's behalf have been unable to verify a foreign person's *bona fides* (i.e., legitimacy and reliability relating to the end use and end user of items subject to the EAR) because an end-use check, such as a pre-license check (PLC) or a post-shipment verification (PSV), cannot be completed satisfactorily for such purposes for reasons outside the U.S. Government's control.

End-use checks cannot be completed for a number of reasons, including reasons unrelated to the cooperation of the foreign party subject to the end-use check. For example, BIS

sometimes initiates end-use checks and cannot find a foreign party at the address indicated on export documents, and cannot locate the party by telephone or email. Additionally, BIS sometimes is unable to conduct end-use checks when host government agencies do not respond to requests to conduct end-use checks, are prevented from scheduling such checks by a party to the transaction other than the foreign party that is the proposed subject of the end-use check, or the parties refuse to schedule them in a timely manner. Under these circumstances, although BIS has an interest in informing the public of its inability to verify the foreign party's *bona fides*, there may not be sufficient information to add the foreign persons at issue to the Entity List under §744.11 of the EAR (Criteria for revising the Entity List). In such circumstances, BIS may add the foreign persons to the UVL.

Furthermore, BIS sometimes conducts end-use checks but cannot verify the *bona fides* of a foreign party. For example, BIS may be unable to verify *bona fides* if, during the conduct of an end-use check, a recipient of items subject to the EAR is unable to produce those items for visual inspection or provide sufficient documentation or other evidence to confirm the disposition of those items. The inability of foreign persons subject to end-use checks to demonstrate their *bona fides* raises concerns about the suitability of such persons as participants in future exports, reexports, or transfers (in-country) and indicates a risk that items subject to the EAR may be diverted to prohibited end uses and/or end users. However, BIS may not have sufficient information to establish that such persons are involved in activities described in part 744 of the EAR, preventing the placement of the persons on the Entity List. In such circumstances, the foreign persons may be added to the Unverified List.

As provided in §740.2(a)(17) of the EAR, the use of license exceptions for exports, reexports, and transfers (in-country) involving a party or parties to the transaction who are

listed on the UVL is suspended. Additionally, under §744.15(b) of the EAR, there is a requirement for exporters, reexporters, and transferors to obtain (and keep a record of) a UVL statement from a party or parties to the transaction who are listed on the UVL before proceeding with exports, reexports, and transfers (in-country) to such persons, when the exports, reexports and transfers (in-country) are not subject to a license requirement.

Requests for removal of a UVL entry must be made in accordance with § 744.15(d) of the EAR. Decisions regarding the removal or modification of UVL listings will be made by the Deputy Assistant Secretary for Export Enforcement, based on a demonstration by the listed person of its *bona fides*.

### **Changes to the EAR**

#### **Supplement No. 6 to Part 744 (“the Unverified List” or “UVL”)**

Among other things, this rule adds twelve (12) persons to the UVL by amending Supplement No. 6 to Part 744 of the EAR to include their names and addresses. BIS adds these persons in accordance with the criteria for revising the UVL set forth in § 744.15(c) of the EAR. The new entries consist of one person located in Canada, one person located in the Czech Republic, one person located in Georgia, four persons located in Hong Kong, and five persons located in the United Arab Emirates. Each listing is grouped within the UVL by country and accompanied by the party’s name(s) in alphabetical order under the country, available alias(es) and address(es), as well as the *Federal Register* citation and the date the person was added to the UVL. The UVL is included in the Consolidated Screening List, available at [www.export.gov](http://www.export.gov).

This rule also adds new addresses for four current UVL persons in Hong Kong: 1) AST Technology Group (HK) Ltd.; 2) E-Chips Technology; 3) Ling Ao Electronic Technology Co. Ltd., a.k.a. Voyage Technology (HK) Co. Ltd.; and 4) Narpel Technology Co., Limited. BIS has determined that these persons are receiving U.S. exports at addresses other than those originally included in their UVL entries.

Lastly, this rule removes from the UVL two entries: one located in Hong Kong and one located in Pakistan.

The following entry (at three different locations) under the country heading Hong Kong is removed:

Ditis Hong Kong Ltd.  
Room 227-228, 2/F, Metre Centre II,  
21 Lam Hing Street, Kowloon Bay,  
Kowloon, Hong Kong

*and*

Ditis Hong Kong Ltd.  
Rooms 1318-1320, Hollywood Plaza,  
610 Nathan Road, Mong Kok,  
Kowloon, Hong Kong

*and*

Ditis Hong Kong Ltd.  
Room 205, 2/F, Sunley Centre,  
9 Wing Tin Street, Kwai Chung,  
New Territories, Hong Kong.

The following entry under the country heading Pakistan is removed:

Fauji Fertilizer Company Ltd.  
156 The Mall

Rawalpindi, Cantt  
Pakistan.

These persons are removed from the UVL based on BIS's ability to confirm their *bona fides* through the successful completion of end-use checks. The removal of the above referenced persons from the UVL eliminates the restrictions against the use of license exceptions and the requirements specific to exports, reexports and transfers (in-country) not otherwise requiring a license to these persons, as described in §744.15 of the EAR.

However, the removal of these persons from the UVL does not remove other obligations under part 744 of the EAR or under other parts of the EAR. Neither the removal of persons from the UVL nor the removal of UVL-based restrictions and requirements relieves a person of the obligation to obtain a license if the person knows that an export or reexport of any item subject to the EAR is destined to an end user or end use set forth in part 744, other than §744.15, of the EAR. Additionally, these removals do not relieve persons of their obligation to apply for export, reexport or in-country transfer licenses required by other provisions of the EAR. BIS strongly urges the use of Supplement No. 3 to part 732 of the EAR, "BIS's 'Know Your Customer' Guidance and Red Flags," when persons are involved in transactions that are subject to the EAR.

#### *Savings Clause*

Shipments (1) removed from license exception eligibility or that are now subject to requirements in § 744.15 of the EAR as a result of this regulatory action,; (2) eligible for export, reexport, or transfer (in-country) without a license before this regulatory action; and (3) on dock for loading, on lighter, laden aboard an exporting carrier, or en route aboard a carrier to a port of export, on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER],

pursuant to actual orders, may proceed to that UVL listed person under the previous license exception eligibility or without a license so long as the items have been exported from the United States, reexported or transferred (in-country) before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Any such items not actually exported, reexported or transferred (in-country) before midnight, on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], are subject to the requirements in § 744.15 of the EAR in accordance with this regulation.

### **Export Administration Act**

Since August 21, 2001, the Export Administration Act of 1979, as amended, has been in lapse. However, the President, through Executive Order 13222 of August 17, 2001, 3 CFR, 2001 Comp., p. 783 (2002), as amended by Executive Order 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013), and as extended by the Notice of August 7, 2015 (80 Fed. Reg. 48233 (Aug. 11, 2015) has continued the EAR in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*). BIS continues to carry out the provisions of the Export Administration Act, as appropriate and to the extent permitted by law, pursuant to Executive Order 13222 as amended by Executive Order 13637.

### **Rulemaking Requirements**

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes

the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has not been designated a “significant regulatory action,” under section 3(f) of Executive Order 12866.

2. The provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, the opportunity for public comment and a delay in effective date are inapplicable to this rule--which is adding 12 persons, removing two persons, and updating the addresses of four other persons listed on the UVL--because this regulation involves military or foreign affairs under § 553(a)(1). BIS implements this rule to protect U.S. national security or foreign policy interests by requiring a license for items being exported, reexported, or transferred (in country) involving a party or parties to the transaction who are listed on the UVL. If this rule were delayed to allow for notice and comment and a delay in effective date, the entities being added to the UVL by this action and those entities operating at previously unlisted addresses would continue to be able to receive items without additional oversight by BIS and to conduct activities contrary to the national security or foreign policy interests of the United States. In addition, publishing a proposed rule would give these parties notice of the U.S. Government’s intention to place them on the UVL, and create an incentive for these persons to accelerate receiving items subject to the EAR in furtherance of activities contrary to the national security or foreign policy interests of the United States, and/or take steps to set up additional aliases, change addresses, and other measures to try to limit the impact of the listing once a final rule is effective.

The Department finds there is good cause to waive the provisions of the Administrative Procedure Act requiring prior notice and the opportunity for public comment, under 5 U.S.C. 553(b)(B), and a thirty day delay of the effective date, under 5 U.S.C. 553(d)(3), to the



provision of this rule removing two persons from the UVL because doing so is contrary to the public interest and unnecessary. The removals are being made following the completion of successful end-use checks. If the rule were to be delayed to allow for public comment, U.S. exporters may face unnecessary economic losses as they turn away potential sales because the customer remained a listed person on the UVL even after BIS was able to verify that entity's *bona fides* through an end-use check. By publishing without prior notice and comment, BIS allows the entity to receive U.S. exports as quickly as possible following their cooperation in a successful end-use check. By quickly removing entities from the UVL following the successful completion of an end-use check, BIS encourages other entities to cooperate in end-use checks requested by BIS. Further, no other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this rule.

Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5 U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, are not applicable. Accordingly, no regulatory flexibility analysis is required and none has been prepared.

3. Notwithstanding any other provision of law, no person is required to respond to, nor is subject to a penalty for failure to comply with, a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by OMB under the following control numbers: 0694-0088, 0694-0122, 0694-0134, and 0694-0137. The addition, revision, and removal of individuals to the UVL do not change the collection of information requirements placed on the public by the UVL implementing regulations.

4. This rule does not contain policies with Federalism implications as that term is defined in Executive Order 13132.

#### **List of Subjects in 15 CFR Part 744**

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730 to 774) is amended as follows:

#### **Part 744 - [AMENDED]**

1. The authority citation for 15 CFR part 744 continues to read as follows:

**Authority:** 50 U.S.C. app. 2401 et seq.; 50 U.S.C. 1701 et seq.; 22 U.S.C. 3201 et seq.; 42 U.S.C. 2139a; 22 U.S.C. 7201 et seq.; 22 U.S.C. 7210; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 356; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; Notice of September 17, 2014, 79 FR 56475 (September 19, 2014); Notice of November 7, 2014, 79 FR 67035 (November 12, 2014); Notice of January 21, 2015, 80 FR 3461 (January 22, 2015); Notice of August 7, 2015, 80 FR 48233 (August 11, 2015).

2. Supplement No. 6 to Part 744 is amended by:

- a. Adding an entry for “Canada” in alphabetical order;
- b. Adding an entry for “Czech Republic” in alphabetical order;
- c. Adding an entry for “Georgia” in alphabetical order;
- d. Revising the entry for “AST Technology Group (HK) Ltd.”, under “Hong Kong”;
- e. Removing the entry for “Ditis Hong Kong Ltd.” under “Hong Kong”;
- f. Revising the entry for “E-Chips Technology” under “Hong Kong”;
- g. Adding 3 entries for “Foot Electronics Co. Ltd.”, “GA Industry Co. Ltd.”, and “Hua Fu Technology Co. Ltd.” in alphabetical order, under “Hong Kong”;
- h. Revising the entry for “Ling Ao Electronic Technology Co. Ltd., a.k.a. Voyage Technology (HK) Co. Ltd.” under “Hong Kong”;
- i. Revising the entry for “Narpel Technology Co., Limited” under “Hong Kong”;
- j. Adding an entry for “Yogone Electronics Co.” in alphabetical order, under “Hong Kong”;
- k. Removing the entry for “Fauji Fertilizer Company Ltd.” under “Pakistan”;
- and
- l. Adding 5 entries, in alphabetical order, under the “United Arab Emirates”.

The additions and revisions read as follows:

#### **SUPPLEMENT NO. 6 TO PART 744 – UNVERIFIED LIST**

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<b>Country</b>	<b>Listed Person and Address</b>	<b>Federal Register Citation and Date of Publication</b>
<b>CANADA</b>	Rizma, Inc. 1403-8 McKee Avenue Toronto, Ontario M2N 7E5 Canada	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
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<b>CZECH REPUBLIC</b>	Bonitopto S.R.O. Vancurova 1084/10 Ostrov 363 01 Czech Republic; <i>and</i>  Jachymovska 178 Ostrov 363 01 Czech Republic	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
<b>GEORGIA</b>	Spars Ltd., a.k.a. Spars Trading Ltd. Room 1, House 11 Nutsbdize 111 marker Tbilisi, Georgia, 0183	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

<b>HONG KONG</b>	<p>AST Technology Group (HK) Ltd., Flat 6, 20/F, Mega Trade Centre, 1-9 Mei Wan Street Tsuen Wan, Hong Kong; <i>and</i></p> <p>Unit 2209, 22/F, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong; <i>and</i></p> <p>Unit 2103, 21/F, Sino Centre 582-592 Nathan Road Mong Kok, Kowloon, Hong Kong</p>	<p>80 FR 4779 01/29/15.</p> <p>80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].</p>
	*****	
	<p>E-Chips Technology, Unit 4, 7/F, Bright Way Tower, No. 33 Mong Kok Road Mong Kok, Kowloon, Hong Kong; <i>and</i></p> <p>Flat 1205, 12/F, Tai Sang Bank Building, 130-132 Des Voeux Road Hong Kong</p>	<p>80 FR 4779 01/29/15.</p> <p>80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].</p>
	<p>Foot Electronics Co. Ltd. Unit 2103, 21/F, Sino Centre 582-592 Nathan Road Mong Kok, Kowloon, Hong Kong; <i>and</i></p> <p>Rm. 19C, Lockhart Centre 301-307 Lockhart Road Wan Chai, Hong Kong</p>	<p>80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].</p>
	<p>GA Industry Co. Ltd. Room 1103, Hang Seng Mong Kok Building 677 Nathan Road Kowloon, Hong Kong</p>	<p>80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].</p>

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	Hua Fu Technology Co. Ltd. Rm 1209, 12/F, Workingbond Commercial Centre 162 Prince Edward Road West Mong Kok, Kowloon, Hong Kong	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
	*****	
	Ling Ao Electronic Technology Co. Ltd., a.k.a. Voyage Technology (HK) Co. Ltd., Room 17, 7/F, Metro Centre Phase 1, No. 32 Lamhing St., Kowloon Bay, Hong Kong; <i>and</i>  15B, 15/F, Cheuk Nang Plaza, 250 Hennessy Road, Hong Kong; <i>and</i>  Flat C, 11/F, Block No. 2 62 Hoi Yu Street, Kowloon, Hong Kong; <i>and</i>  Room C1-D, 6/F Wing Hing Industrial Building 14 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong	80 FR 4779 01/29/15. 80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
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	<p>Narpel Technology Co., Limited Unit A, 6/F, Yip Fat Factory Building, Phase 1, No 77 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong; <i>and</i></p> <p>Room 4C, 8/F, Sunbeam Centre, 27 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong; <i>and</i></p> <p>Room 1905, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong; <i>and</i></p> <p>15B, 15/F, Cheuk Nang Plaza, 250 Hennessy Road, Wan Chai, Hong Kong</p>	<p>79 FR 34217, 06/16/14. 80 FR 4779 01/29/15. 80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].</p>
	*****	
	<p>Yogone Electronics Co. Unit 602, 6/F, Silvercord Tower 2 30 Canton Road Tsim Sha Tsui, Kowloon, Hong Kong</p>	<p>80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].</p>
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<b>UNITED ARAB EMIRATES</b>	*****	*****
	Gulf Modern Solutions Engineering Company No. 14, 35B Street Al Satwa Road Dubai, UAE	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
	Masomi General Trading Unit No. B605, Baniyas Complex, Baniyas Square, P.O. Box 39497 Dubai, UAE	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
	Recaz Star General Trading LLC #307 Naser Lootah Building Khalid bin Waleed Road Dubai, UAE	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
	Renat International General Trading Office #H241, Building #1G Ajman Free Zone Ajman, UAE; <i>and</i>  Building #H1 Behind China Mall Ajman Free Zone Area Ajman, UAE	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
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	<p>Trade Star FZC  Sheikh Zayed Road  Al Mossa Tower 1, 17<sup>th</sup> Floor  Dubai, UAE; and</p> <p>P.O. Box 51159  Sharjah, UAE; <i>and</i></p> <p>ELOB Office #E55G-31  Hamriyah Free Zone  Sharjah, UAE</p>	<p>80 FR [INSERT FR  PAGE NUMBER  AND DATE OF  PUBLICATION IN  THE FEDERAL  REGISTER].</p>
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Dated: October 1, 2015

Matthew S. Borman,  
Deputy Assistant Secretary for Export Administration.

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